



# PRESS RELEASE

## Internal Revenue Service - Criminal Investigation Cincinnati Field Office *Special Agent in Charge Kathy A. Enstrom*

Date: Tuesday, November 15, 2016

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CI Release #: CINFO-2016-22

### **MAN WHO CLAIMED TO BE A TAX PREPARER SENTENCED FOR DEFRAUDING THE IRS**

DAYTON, OHIO – Robert Coates, 42, of Xenia, Ohio was sentenced to 18 months in prison, three years of supervised release, and \$445,450 in restitution to the Internal Revenue Service (IRS) for filing false claims for income tax refunds with the IRS. Coates previously pleaded guilty to the aforementioned charge on July 11, 2016.

Benjamin C. Glassman, United States Attorney for the Southern District of Ohio and Kathy A. Enstrom, Special Agent in Charge, Internal Revenue Service Criminal Investigation, Cincinnati Field Office announced the sentence handed down today by U.S. District Court Judge Timothy S. Black.

According to court documents, between January 2012 and July 2012 Coates filed false claims for income tax refunds with the IRS. Coates held himself out to be a tax preparer in Xenia, Ohio and filed fraudulent income tax returns on behalf of individuals who were referred to Coates by other taxpayers or for those who responded to a flyer Coates distributed in and around the Xenia, Ohio area. Coates enticed individuals to allow him to file their income tax returns by explaining to them that they would receive an income tax refund even if they did not work or were receiving disability payments.

Unbeknownst to the taxpayers, Coates included fraudulent amounts of income in the form of Household Help income (known as "HSH") in order to maximize the earned income credit and to generate an income tax refund. In addition, Coates included fraudulent amounts of qualified educational expenses in order to generate a refundable education credit. Coates filed these income tax returns knowing that the HSH income amounts and qualified education expenses were fraudulent and the claimed income tax credits and refunds were fraudulent. Coates collected his fee by diverting a portion of the income tax refund into one or more bank accounts that he controlled.

In total, Coates filed at least 170 false income tax returns for 2011 income tax year. Thereby, causing a loss to the IRS in the amount of \$445,450, of which \$167,422.63 was directed into bank accounts in Coates' name or under his control.

"IRS Criminal Investigation stands ready to investigate anyone who would put a taxpayer at risk for a quick profit," stated Kathy A. Enstrom, Special Agent in Charge, IRS Criminal Investigation, Cincinnati Field Office. "Our special agents use their investigative and financial expertise to detect and hold

accountable abusive tax return preparers who falsely tell taxpayers they are eligible for tax credits that they are not entitled to receive."

This case was prosecuted by Assistant United States Attorney Alex R. Sistla and was investigated by special agents of IRS-Criminal Investigation.

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